

**Norfolk County
Retirement Board**
480 Neponset Street, Building #15
Canton, Massachusetts 02021

**Request For Proposals
Actuarial Services**

February 3, 2023

1. Public Notice of Procurement

The Norfolk County Retirement Board (“NCRB”), hereby requests proposals from actuarial firms (“Bidders”) to provide actuarial services which includes, but is not limited to, creating actuarial valuation reports and funding schedules of the Norfolk County Retirement System (“NCRS”).

INSTRUCTIONS

1. Competitive proposals are invited in accordance with the provisions of M.G.L. c. 32.
2. All questions must be completed in precise detail. Should any question not be applicable, please answer N/A. Blank or incomplete responses to applicable questions will be presented to the Board as “Not Available”, which could preclude the questionnaire from consideration and, in addition, make the candidate appear incomplete when compared to other applicants.
3. Proposal (technical and price) should be emailed to Kathleen Kiely-Becchetti at kkb@norfolkcrs.com as described below.
4. Separate price and technical proposals must be submitted. Price proposals must be emailed marked “PROPOSAL FOR ACTUARIAL SERVICES - PRICE” and technical proposals must be emailed marked “PROPOSAL FOR ACTUARIAL SERVICES - TECHNICAL”.

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Proposals must be received no later than 12:00P.M. eastern standard time on Monday, February 20, 2023.

5. The proposal shall be signed by an officer having the power to bind the bid, and it shall contain a statement to the effect that the proposal is firm for ninety (90) days.

**APPLICANTS PLEASE NOTE: ABSOLUTLEY NO TELEPHONE QUESTIONS
WILL BE ACCEPTED, ACKNOWLEDGED OR RETURNED.**

MINIMUM CRITERIA

BIDDERS MUST MEET ALL OF THE FOLLOWING MINIMUM CRITERIA

FAILURE TO SATISFY ANY OF THE MINIMUM CRITERIA WILL RESULT IN THE DISQUALIFICATION OF THE BIDDER. PLEASE RESPOND TO EACH OF THE FOLLOWING BY INITIALING THE "YES" RESPONSE TO CERTIFY THAT YOU DO MEET THE MINIMUM CRITERIA.

1. The bidder has performed actuarial valuations for defined benefit pension plans for at least five years.

_____Yes _____No

2. The bidder has performed within the last three years at least five actuarial valuations of a defined benefit pension plan sponsored by a governmental entity in Massachusetts.

_____Yes _____No

Certified by:

_____,
Name

Title

Date

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TECHNICAL SPECIFICATIONS

1. The actuary shall analyze and review the most recent actuarial study and assist the Board in its submission of a funding schedule to PERAC.
2. The actuary shall provide appropriate financial statement disclosure information to conform to the requirements (at the time) of GASB. The successful respondent will also work with the Board to develop a funding schedule in conformance with M.G.L. c. 32 and 840 CMR.
3. Valuation shall, at a minimum, calculate the following values:
 - present values of future benefits, by benefit type (i.e. superannuation, death disability, termination)
 - employee normal cost (derived from statutorily required employer contributions)
 - employer normal cost
 - total normal cost
 - actuarial accrued liability by benefit type
 - unfunded actuarial accrued liability
 - present value of actuarial accrued liabilities
 - current contribution to amortize the unfunded actuarial accrued liability
 - retirement allowances payable for calendar year
 - pensions payable for calendar year
 - administrative expenses
4. The valuation shall display the following data:
 - total number of active members
 - total number of inactive members
 - total number of disabled
 - total number of retirees and beneficiaries
 - total regular compensation payable to active members
5. The results of the valuation as identified in items 3-4 above shall be displayed both for the system as a whole and separately, as breakouts, for each of the governmental units within the system.
6. The candidate will provide a liability schedule for active and retired plan participants.
7. The valuation shall include the following charts of member data:
 - Glossary of terms
 - active member chart(s) displaying age by service distribution, salary by age distribution, and average age, service and salary

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- retiree and beneficiary chart displaying benefit amount by age distribution, average age and benefit amount
- disabled retiree distribution
- cash flow forecast
- summary of plan provisions
- actuarial methods and assumptions
- inactive member chart displaying age by service distribution and final salary by age distribution.

All charts may be displayed in five year age cohorts.

8. The valuation report shall include a schedule that forecasts for twenty fiscal years the following costs, for the Retirement System as a whole and for each unit:
 - active member payroll
 - assets at market (assuming the employer contributes the actuarial funding amounts)
 - member contributions
 - employer normal costs
 - amortization cost
 - total employer funding contribution (sum of employer normal cost and amortization payment)
 - projected investment earnings (assuming projected funding contributions are made)
 - pension and annuity payments.
9. Actuarial costs and liabilities shall be calculated in accordance with the entry age normal cost method.
10. The Board is phasing out the payroll method for the actuarial method over a four (4) year period. FY 26 and 27 are included in the phase in years.
11. The valuation shall calculate and display the pension costs and liabilities required for disclosure under applicable statements of the Governmental Accounting Standards Board.
12. The valuation must comply with Massachusetts state law and all PERAC's regulations and requirements.
13. The valuation report shall contain a summary of plan provisions and a description of the following items:
 - actuarial cost method
 - asset valuation method
 - actuarial assumptions

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- assumptions made to correct for missing or bad data
 - any other assumptions used to produce valuation results
14. Upon submission of the written valuation report (expected 6 weeks after giving the assignment) to the Board, the successful bidder shall make a detailed oral presentation of its findings at a meeting of the Board.
 15. Every other year, the Board may require an update to the funded status of the plan for purposes of determining if an update to its funding schedule is warranted. For this purpose, actual asset values are used in conjunction with estimated, rolled forward, prior year plan liabilities.
 16. Additional service that may be required would be attendance at various meetings and to provide additional valuation scenarios as requested.

CANDIDATE QUESTIONNAIRE

1. List the name of your firm, address and telephone number of the home office, and address of the office(s) providing the services under the contract.
2. Provide a general description of the firm including size, number of employees, primary business, other businesses or services, and type or organization (franchise, partnership, corporation, etc.).
3. Describe the actuary(ies) who will render services under the contract, including a summary of their professional qualifications and experience.
4. Describe the actuary(ies) who would have direct contact with the Board.
5. Identify non-actuarial professional personnel who would perform work under the contract, including a summary of their professional qualifications and experience, if any.
6. List the Massachusetts public pension plans for which the actuaries identified in item #3 above have provided actuarial services within the last five years. Provide the name, title, address, and telephone number of the person responsible for the administration of each plan.
7. List the public pension plans for which the actuaries identified in item #4 above have provided actuarial services within the last five years. Provide the name, title, address, and telephone number of the person responsible for the administration of each plan.
8. Please list any formal complaints, claims, legal actions or other proceedings filed with

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regulatory agencies, administrative agencies, arbitrators or courts by any individual or entity as a result of actuarial services provided by the firm and/or its actuaries within the last five years.

9. Provide a detailed description of the proposed method whereby the bidder and the Board will determine each of the actuarial assumptions to be employed in performance of the valuation.
10. Provide a detailed description of the methods and procedures to be used in editing and “cleaning” the member data that will be submitted by the Board. Be sure to describe in detail your proposed method of accounting for missing data elements such as age or service.
11. Describe the format in which the results of the valuation will be presented. Please submit an example of a valuation report.
12. Propose a time schedule for the completion of the valuation and the associated forecast schedules. Indicate that the time schedule will be binding. Completion dates shall be proposed in terms of a specified period of time after receipt of all relevant member data that the Board maintains in machine readable form and receipt of relevant asset data from the Board.

PRICE PROPOSAL

PRICES SHALL BE EVALUATED BOTH ON AN UNBUNDLED BASIS, I.E., INDIVIDUAL TASKS PRICED SEPERATELY, AND IN THE AGGREGATE TO DETERMINE THE LOWEST OVERALL COST FOR PERFORMANCE OF ALL CONTEMPLATED SERVICES.

1. Provide a price proposal on a lump sum basis and on an unbundled basis based on the assumption that the membership data is in usable form, with no material adjustments necessary.
2. Provide a second price proposal in a lump sum and unbundled basis assuming that the membership data is incomplete and that adjustments must be made to the data. Under both bases, the bidder may assume that the member data will be provided in machine readable form.
3. Provide a separate price proposal for calculation of the estimated pension liabilities and costs that must be disclosed in “off” years between triennial valuations pursuant to applicable Governmental Accounting Standards Board Statement No. 5. This cost quote shall be on a lump sum basis.

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APPENDIX

2. CERTIFICATION OF GOOD FAITH

The undersigned certifies under penalties of perjury that this proposal has been submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word “person” shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity or group of individuals.

Name of person signing proposal (print or type)

Authorized signature of person signing proposal

Title

Company

Date

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3. WARRANTIES

Candidate agrees to the incorporation of the following warranties in contract:

1. Candidate warrants that it will obtain at its own expense (prior to entering into a contract with the Board) independent verification and authentication of all data presented.
2. Candidate warrants that it will disclose all third party marketing or sales fees chargeable to the account of the Board in the procurement.
3. Candidate warrants that it maintains or will obtain at its expense prior to beginning this assignment, an errors and omissions insurance policy providing at least \$1 million of coverage for negligent acts or omissions and that such coverage is applicable to the custodian actions under the contract.
4. Candidate warrants that all information and statements in this RFP are complete and true. Any statement or claim found to be incomplete, misleading or false will be grounds for immediate disqualification or dismissal and may be subject to legal action.

Date

Title of person signing proposal

Authorized signature of person signing proposal

Printed name of person signing proposal

Legal name of company

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5. **PERAC ACKNOWLEDGEMENT**

The undersigned certifies that they have reviewed the regulations set forth by the Public Employee Retirement Administration Commission, 840 CMR and are in full compliance. A copy of the regulations can be obtained via the Internet at www.mass.gov/PERAC.

Name of person signing proposal (print or type)

Authorized signature of person signing proposal

Title

Company

Date